

Exhibit 2

Form 1040

Department of the Treasury Internal Revenue Service

U.S. Individual Income Tax Return 2007

Label
(See instructions.)Use the
IRS label.
Otherwise,
please print
or type.Presidential
Election
Campaign

For the year Jan 1 - Dec 31, 2007, or other tax year beginning _____, 2007, ending _____, 20.

IRS Use Only - Do not write or stamp in this space.

OMB No. 1545-0074

Your first name MI Last name
Neal A Hausam

If a joint return, spouse's first name MI Last name
-8275

Home address (number and street). If you have a P.O. box, see instructions.
2054 Mousebird Ave. NW Apartment no.

City, town or post office. If you have a foreign address, see instructions.
Salem State ZIP code
OR 97304

You must enter your social security number(s) above.

Checking a box below will not change your tax or refund.

Check here if you, or your spouse if filing jointly, want \$3 to go to this fund? (see instructions) ☐ You ☐ Spouse

Filing Status

Check only
one box.

1 ☒ Single

2 ☐ Married filing jointly (even if only one had income)

3 ☐ Married filing separately. Enter spouse's SSN above & full name here.

4 ☐ Head of household (with qualifying person). (See instructions.) If the qualifying person is a child but not your dependent, enter this child's name here.

5 ☐ Qualifying widow(er) with dependent child (see instructions)

Exemptions

If more than
four dependents,
see instructions.

6a ☒ Yourself. If someone can claim you as a dependent, do not check box 6a.

b ☐ Spouse

c Dependents:

(1) First name	Last name	(2) Dependent's social security number	(3) Dependent's relationship to you	(4) <input checked="" type="checkbox"/> If qualifying child for child tax credit (see instrs)

d Total number of exemptions claimed

Boxes checked on 6a and 6b ... 1

No. of children on 6c who:

- ☐ lived with you
- ☐ did not live with you due to divorce or separation (see instrs)

Dependents on 6c not entered above

Add numbers on lines above ... 1

Income

Attach Form(s)
W-2 here. Also
attach Forms
W-2G and 1099-R
if tax was withheld.If you did not
get a W-2,
see instructions.Enclose, but do
not attach, any
payment. Also,
please use
Form 1040-V.

7 Wages, salaries, tips, etc. Attach Form(s) W-2

8a Taxable interest. Attach Schedule B if required.

b Tax-exempt interest. Do not include on line 8a.

9a Ordinary dividends. Attach Schedule B if required

b Qualified dividends (see instrs)

10 Taxable refunds, credits, or offsets of state and local income taxes (see instructions)

11 Alimony received

12 Business income or (loss). Attach Schedule C or C-EZ.

13 Capital gain or (loss). Att Sch D if reqd. If not reqd, ck here.

14 Other gains or (losses). Attach Form 4797

15a IRA distributions

16a Pensions and annuities

b Taxable amount (see instrs)

17 Rental real estate, royalties, partnerships, S corporations, trusts, etc. Attach Schedule E.

18 Farm income or (loss). Attach Schedule F.

19 Unemployment compensation

20a Social security benefits

21 Other income NET OPERATING LOSS - SEE STMT

b Taxable amount (see instrs)

22 Add the amounts in the far right column for lines 7 through 21. This is your total income

23 Educator expenses (see instructions)

24 Certain business expenses of reservists, performing artists, and fee-basis government officials. Attach Form 2106 or 2106-EZ

25 Health savings account deduction. Attach Form 8889

26 Moving expenses. Attach Form 3903

27 One-half of self-employment tax. Attach Schedule SE

28 Self-employed SEP, SIMPLE, and qualified plans

29 Self-employed health insurance deduction (see instructions)

30 Penalty on early withdrawal of savings

31a Alimony paid b Recipient's SSN

32 IRA deduction (see instructions)

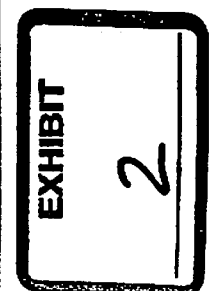
33 Student loan interest deduction (see instructions)

34 Tuition and fees deduction. Attach Form 8917

35 Domestic production activities deduction. Attach Form 8903

36 Add lines 23 - 31a and 32 - 35

37 Subtract line 36 from line 22. This is your adjusted gross income

Adjusted
Gross
Income

Hausam 146

SCHEDULE A
(Form 1040)

Itemized Deductions

OMB No. 1545-0047

Department of the Treasury
Internal Revenue Service▶ Attach to Form 1040.
▶ See Instructions for Schedule A (Form 1040).

2007

Attachment
Sequence No. 07

Name(s) shown on Form 1040

Neal A Hausam

Your social security number

[REDACTED] 8275

Medical
and
Dental
Expenses

Caution. Do not include expenses reimbursed or paid by others.

1 Medical and dental expenses (see instructions) 1 12,516.

2 Enter amount from Form 1040, line 38 2 -66,331.

3 Multiply line 2 by 7.5% (.075) 3 0.

4 Subtract line 3 from line 1. If line 3 is more than line 1, enter -0- 4 12,516.

Taxes You
Paid

5 State and local (check only one box):

a ☐ Income taxes, orb ☐ General sales taxes.

6 Real estate taxes (see instructions) 6 5,278.

7 Personal property taxes 7 810.

8 Other taxes. List type and amount ▶

(See
instructions.)

9 Add lines 5 through 8 8

Interest
You Paid

10 Home mtg interest and points reported to you on Form 1098 10 15,261.

11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see instructions and show that person's name, identifying number, and address ▶

12 Points not reported to you on Form 1098. See instrs for spcl rules 12 25.

13 Qualified mortgage insurance premiums (see instructions) 13

14 Investment interest. Attach Form 4952 if required. (See instrs.) 14

15 Add lines 10 through 14 15 15,286.

Gifts to
CharityIf you made
a gift and
got a benefit
for it, see
instructions.

16 Gifts by cash or check. If you made any gift of \$250 or more, see instrs 16 150.

17 Other than by cash or check. If any gift of \$250 or more, see instructions. You must attach Form 8283 if over \$500 17

18 Carryover from prior year 18 412.

19 Add lines 16 through 18 Limited 19 0.

Casualty and
Theft Losses

20 Casualty or theft loss(es). Attach Form 4684. (See instructions.) 20

21 Unreimbursed employee expenses — job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See instructions.) ▶

22 Tax preparation fees 22 4,399.

23 Other expenses — investment, safe deposit box, etc. List type and amount ▶

See Statement

24 Add lines 21 through 23 23 45.

25 Enter amount from Form 1040, line 38 25 -66,331.

26 Multiply line 25 by 2% (.02) 26 0.

27 Subtract line 26 from line 24. If line 26 is more than line 24, enter -0- 27 4,444.

Other
Miscellaneous
Deductions

28 Other — from list in the instructions. List type and amount ▶

Total
Itemized
Deductions

29 Is Form 1040, line 38, over \$156,400 (over \$78,200 if married filing separately)?

☒ No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 28. Also, enter this amount on Form 1040, line 40.

☐ Yes. Your deduction may be limited. See instructions for the amount to enter.

30 If you elect to itemize deductions even though they are less than your standard deduction, check here ▶

Name(s) Shown on Return

Neal A Hausam

Social Security Number

-8275

Employee Business Expenses – Subject to 2% Limitation

1	Unreimbursed employee expenses from Form 2106	1	
2	Excluded expenses from Form 2555	2	
3a	Qualified Educator Expenses (from Educator Expenses Worksheet)	3a	
b	Above the line Educator Expenses: (from Form 1040, line 23)	3b	
c	Excess Educator Expenses (line 3a less line 3b)	3c	
4	Union and professional dues	4	
5	Professional subscriptions	5	
6	Uniforms and protective clothing	6	
7	Job search costs	7	
8	Other:	8	
		
		
9	Total unreimbursed employee business expenses (combine lines 1 - 8)	9	

Miscellaneous Expenses – Subject to 2% Limitation

	Investment Expense ↓	
10	Depreciation and amortization deductions	10
11	Casualty/theft losses of property used in services as an employee	11
12	REMIC expenses, from Schedule E	12
13	Investment expenses related to interest and dividend income	13
14	Deductions related to portfolio income, miscellaneous deductions, and excess deductions on termination, from Schedule(s) K-1	14
15	Miscellaneous deductions excluded on Form 2555	15
16	Investment counsel and advisory fees	16
17	Certain attorney and accounting fees	17
18	Safe deposit box rental fees	18
19	IRA custodial fees	19
20	Loss incurred from total distribution of all traditional IRAs	20
21	Loss incurred from total distribution of all Roth IRAs	21
22	Other:	22
	
	
23	Total miscellaneous expenses (combine lines 10 through 22)	23

Other Miscellaneous Deductions – Not Subject to 2% Limitation

24	Deductions related to portfolio income, from Schedule(s) K-1	24
25	Federal estate tax paid on decedent's income reported on this return	25
26	Miscellaneous deductions excluded on Form 2555	26
27	Impairment-related expenses of a handicapped employee, from Form 2106	27
28	Amortizable bond premiums on bonds acquired before 10/23/86	28
29	Gambling losses (to the extent of gambling income)	29
30	Casualty/theft losses of income-producing property	30
31	Other miscellaneous deductions:	31
	
	
32	Total other miscellaneous deductions (combine lines 24 through 31)	32

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Sequence No. 08

Part I Interest

(See instructions for Form 1040, line 8a.)

Note. If you received a Form 1099-INT, Form 1099-DIV, or substitute statement from a brokerage firm, list the firm's name as the payer and enter the total interest shown on that form.

1 List name of payer. If any interest is from a seller-financed mortgage and the buyer used the property as a personal residence, see the instructions and list this interest first. Also, show that buyer's social security number and address.

Hammack Escrow

Marion & Polk County CU

Rustic Wilderness Escrow

Vista View Escrow

Restaurant business

2 Add the amounts on line 1

3 Excludable interest on series EE and I U.S. savings bonds issued after 1989.
Attach Form 8815.....

4 Subtract: line 3 from line 2. Enter the result here and on Form 1040, line 8a.
Note. If line 4 is over \$1,500, you must file Form 1040.

Note. If line 4 is over \$1,500, you must complete Part III.

5 List name of payer ... ➤

Part II Ordinary Dividends

(See instructions for Form 1040, line 9a.)

Note. If you received a Form 1099-DIV or substitute statement from a brokerage firm, list the firm's name as the payer and enter the ordinary dividends shown on that form.

6 Add the amounts on line 5. Enter the total here and on Form 1040, line 9a

Note. If line 6 is over \$1,500, you must complete Part III.

Part III Foreign Accounts and Trusts

(See instructions.)

7a At any time during 2007, did you have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account? See instructions for exceptions and filing requirements for Form TD F 90-22.1.

b If 'Yes,' enter the name of the foreign country. ▶

8 During 2007, did you receive a distribution from, or were you the grantor of, or transferor to, a foreign trust?
If "Yes," you may have to file Form 3520. See instructions.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

FDIAC-401 06/11/97

Schedule E (Form 1040) 2007

150

SCHEDULE C

(Form 1040)

Profit or Loss From Business
(Sole Proprietorship)

OMB No. 1545-0074

2007

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Sequence No. 09Department of the Treasury
Internal Revenue Service

(99)

Partnerships, joint ventures, etc., must file Form 1065 or 1065-B.
Attach to Form 1040, 1040NR, or 1041. See Instructions for Schedule C (Form 1040).

Name of proprietor

Neal A Hausam

Social security number (SSN)

-8275

A Principal business or profession, including product or service (see instructions)

Fishing Guide

B Enter code from instructions

114110

C Business name. If no separate business name, leave blank.

Sunfish Belle

D Employer ID number (EIN), if any

E Business address (including suite or room no.)
City, town or post office, state, and ZIP code
2054 Mousebird Ave. NW
Salem, OR 97304F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify) _____G Did you 'materially participate' in the operation of this business during 2007? If 'No,' see instructions for limit on losses.. ☒ Yes ☐ NoH If you started or acquired this business during 2007, check here ☒ Yes ☐ No

Part I Income

1	Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here <input type="checkbox"/>	1	
2	Returns and allowances	2	500.
3	Subtract line 2 from line 1	3	-500.
4	Cost of goods sold (from line 42 on page 2)	4	40.
5	Gross profit. Subtract line 4 from line 3.	5	-540.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions)	6	
7	Gross income. Add lines 5 and 6.	7	-540.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8		18	Office expense	18	
9	Car and truck expenses (see instructions)	9		19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20	
11	Contract labor (see instructions)	11	2,418.	20a	a Vehicles, machinery, and equipment	20a	45.
12	Depletion	12		20b	b Other business property	20b	
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		21	Repairs and maintenance	21	1,027.
14	Employee benefit programs (other than on line 19)	14		22	Supplies (not included in Part III)	22	
15	Insurance (other than health)	15	236.	23	Taxes and licenses	23	97.
16	Interest:	16		24	Travel, meals, and entertainment:	24	
16a	a Mortgage (paid to banks, etc)	16a		24a	a Travel	24a	676.
16b	b Other	16b		24b	b Deductible meals and entertainment (see instructions)	24b	163.
17	Legal & professional services	17	30.	25	Utilities	25	
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		26	Wages (less employment credits)	26	
29	Tentative profit (loss). Subtract line 28 from line 7.	29	4,692.	27	Other expenses (from line 48 on page 2)	27	
30	Expenses for business use of your home. Attach Form 8829.	30	-5,232.				
31	Net profit or (loss). Subtract line 30 from line 29.	31	-5,232.				

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 6198. Your loss may be limited.

32a ☒ All investment is at risk.

32b ☐ Some investment is not at risk.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule C (Form 1040) 2007

FD-1040-1 05/16/07

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[REDACTED]-323

33 Method(s) used to value closing inventory: a ☐ Cost b ☐ Lower of cost or market c ☐ Other: (attach explanation)

34. Was there any change in determining quantities, costs, or valuations between opening and closing inventory?
If 'Yes,' attach explanation.....

35 Inventory at beginning of year. If different from last year's closing inventory, attach explanation. ☐ Yes ☐ No

36	Purchases less cost of items withdrawn for personal use.....		
----	--	--	--

	\$	40	
37 Cost of labor. Do not include any amounts paid to yourself.....	\$		

38	Materials and supplies.....		
----	-----------------------------	--	--

39 Other costs		
----------------------	--	--

40	Add lines 35 through 39.....		
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41 Inventory at end of year	40	40
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42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.....	42
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Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43 When did you place your vehicle in service for business purposes? (month, day, year) ▶

44 Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for:

a Business	b Commuting (see instructions)	c Other
------------	--------------------------------	---------

45 Do you (or your spouse) have another vehicle available for personal use? ☐ Yes ☐ No

46 Was your vehicle available for personal use during off-duty hours?..... ☐ Yes ☐ No

47a Do you have evidence to support your deduction?..... ☐ Yes ☐ No

b If 'Yes,' is the evidence written? ☐ Yes ☐ No

Other Expenses. List below business expenses not included as follows: ☐ Yes ☐ No

Other Expenses. List below business expenses not included on lines 8-26 or line 30.

[illegible]

48	Total other expenses. Enter here and on page 1, line 27.....	4a
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SCHEDULE C
 (Form 1040)

Profit or Loss From Business
 (Sole Proprietorship)

 Department of the Treasury
 Internal Revenue Service

(59)

Attach to Form 1040, 1040NR, or 1041. See instructions for Schedule C (Form 1040).

OMB No. 1545-0046

2007

Attachment Sequence No. 09

Name of proprietor

Neal A Hausam

A Principal business or profession, including product or service (see instructions)

Restaurant

Social security number (SSN)

-8275

C Business name. If no separate business name, leave blank.

Rainbird LLC dba Amity Fare

B Enter code from instructions

722110

E Business address (including suite or room no.) City, town or post office, state, and ZIP code

510 S Trade St.
Amity, OR 97101

D Employer ID number (EIN), if any

 F Accounting method: (1) ☒ Cash (2) ☐ Accrual (3) ☐ Other (specify)

 G Did you 'materially participate' in the operation of this business during 2007? If 'No,' see instructions for limit on losses. ☒ Yes ☐ No

 H If you started or acquired this business during 2007, check here ☒ Yes ☐ No

Part I Income

1	Gross receipts or sales. Caution. If this income was reported to you on Form W-2 and the 'Statutory employee' box on that form was checked, see the instructions and check here.	1	
2	Returns and allowances	2	
3	Subtract line 2 from line 1	3	
4	Cost of goods sold (from line 42 on page 2)	4	8,587.
5	Gross profit. Subtract line 4 from line 3.	5	-8,587.
6	Other income, including federal and state gasoline or fuel tax credit or refund (see instructions).	6	
7	Gross income. Add lines 5 and 6.	7	-8,587.

Part II Expenses. Enter expenses for business use of your home only on line 30.

8	Advertising	8		18	Office expense	18	195.
9	Car and truck expenses (see instructions)	9	6,098.	19	Pension and profit-sharing plans	19	
10	Commissions and fees	10		20	Rent or lease (see instructions):	20a	1,236.
11	Contract labor (see instructions)	11	150.	20b	a Vehicles, machinery, and equipment	20b	
12	Depletion	12		21	b Other business property	21	1,042.
13	Depreciation and section 179 expense deduction (not included in Part III) (see instructions)	13		22	Repairs and maintenance	22	50.
14	Employee benefit programs (other than on line 19)	14		23	Supplies (not included in Part III)	23	
15	Insurance (other than health)	15	209.	24	Taxes and licenses	24a	782.
16	Interest:	16a		24b	a Travel	24b	
16a	a Mortgage (paid to banks, etc)	16a		25	b Deductible meals and entertainment (see instructions)	25	2,122.
16b	b Other	16b		26	Utilities	26	
17	Legal & professional services	17	2,535.	27	Wages (less employment credits)	27	3,568.
28	Total expenses before expenses for business use of home. Add lines 8 through 27 in columns.	28		28	Other expenses (from line 48 on page 2)	28	17,987.
29	Tentative profit (loss). Subtract line 28 from line 7.	29		29		29	-26,574.
30	Expenses for business use of your home. Attach Form 8829.	30		30		30	
31	Net profit or (loss). Subtract line 30 from line 29.	31		31		31	-26,574.

• If a profit, enter on both Form 1040, line 12, and Schedule SE, line 2 or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If a loss, you must go to line 32.

32 If you have a loss, check the box that describes your investment in this activity (see instructions).

• If you checked 32a, enter the loss on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13 (statutory employees, see instructions). Estates and trusts, enter on Form 1041, line 3.

• If you checked 32b, you must attach Form 5198. Your loss may be limited.

BAA For Paperwork Reduction Act Notice, see Form 1040 instructions.

 32a ☒ All investment is at risk.

 32b ☐ Some investment is not at risk.

Schedule C (Form 1040) 2007

FD-2011a 03-18-07

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Schedule C (Form 1040) 2007 **Neal A. Hausam****Part III: Cost of Goods Sold** (see instructions)

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33	Method(s) used to value closing inventory: a <input type="checkbox"/> Cost b <input type="checkbox"/> Lower of cost or market c <input type="checkbox"/> Other (attach explanation)	
34	Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If 'Yes,' attach explanation.	
35	Inventory at beginning of year. If different from last year's closing inventory, attach explanation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
36	Purchases less cost of items withdrawn for personal use.	35
37	Cost of labor. Do not include any amounts paid to yourself.	36
38	Materials and supplies.	37
39	Other costs.	38
40	Add lines 35 through 39.	39
41	Inventory at end of year.	40
42	Cost of goods sold. Subtract line 41 from line 40. Enter the result here and on page 1, line 4.	41
		42

Part IV: Information on Your Vehicle. Complete this part only if you are claiming car or truck expenses on line 9 and are not required to file Form 4562 for this business. See the instructions for line 13 to find out if you must file Form 4562.

43	When did you place your vehicle in service for business purposes? (month, day, year)	
44	Of the total number of miles you drove your vehicle during 2007, enter the number of miles you used your vehicle for:	SEE STMT
	a Business	b Commuting (see instructions)
45	Do you (or your spouse) have another vehicle available for personal use?	<input type="checkbox"/> Yes <input type="checkbox"/> No
46	Was your vehicle available for personal use during off-duty hours?	<input type="checkbox"/> Yes <input type="checkbox"/> No
47a	Do you have evidence to support your deduction?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	b If 'Yes,' is the evidence written?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Part V: Other Expenses. List below business expenses not included on lines 8-26 or line 30.

Telephone	
Bank fees	342.
Uniforms	1,953.
Dish TV	205.
Heat Pump AC	278.
Global Security	400.
	390.
48	Total other expenses. Enter here and on page 1, line 27.
	48

Schedule C (Form 1040) 2007

FD-20112 05/15/07

SCHEDULE D

(Form 1040)

Capital Gains and Losses

Department of the Treasury
Internal Revenue Service

► Attach to Form 1040 or Form 1040NR. ► See Instructions for Schedule D (Form 1040).
► Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0047

2007

Attachment
Sequence No. 12

Name(s) shown on return

Neal A Hausam

Your social security number

[REDACTED]-8275

Part I Short-Term Capital Gains and Losses — Assets Held One Year or Less

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
1 Loan			1,000.	2,500.	-1,500.
2 Enter your short-term totals, if any, from Schedule D-1, line 2...	2				
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d).....	3	1,000.			
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824	4				
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	5				
6 Short-term capital loss carryover. Enter the amount, if any, from line 10 of your Capital Loss Carryover Worksheet in the instructions	6				
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f).....	7				-1,500.

Part II Long-Term Capital Gains and Losses — Assets Held More Than One Year

(a) Description of property (Example: 100 shares XYZ Co)	(b) Date acquired (Mo, day, yr)	(c) Date sold (Mo, day, yr)	(d) Sales price (see instructions)	(e) Cost or other basis (see instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9....	9				
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d).....	10				
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824	11				6,529.
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1.....	12				
13 Capital gain distributions. See instrs	13				
14 Long-term capital loss carryover. Enter the amount, if any, from line 15 of your Capital Loss Carryover Worksheet in the instructions	14				
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on page 2.....	15				6,529.

BAA For Paperwork Reduction Act Notice, see Form 1040 or Form 1040NR instructions.

Schedule D (Form 1040) 2007

Schedule D (Form 1040) 2007 Neal A. Hausam**Part III** Summary

-E273

Page 2

16	Combine lines 7 and 15 and enter the result	16	5,029.
<p>If line 16 is:</p> <ul style="list-style-type: none"> • A gain, enter the amount from line 16 on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 17 below. • A loss, skip lines 17 through 20 below. Then go to line 21. Also be sure to complete line 22. • Zero, skip lines 17 through 21 below and enter -0- on Form 1040, line 13, or Form 1040NR, line 14. Then go to line 22. 			
17	Are lines 15 and 16 both gains?		
	<input checked="" type="checkbox"/> Yes. Go to line 18.		
	<input type="checkbox"/> No. Skip lines 18 through 21, and go to line 22.		
18	Enter the amount, if any, from line 7 of the 28% Rate Gain Worksheet in the instructions	18	
19	Enter the amount, if any, from line 18 of the Unrecaptured Section 1250 Gain Worksheet in the instructions	19	
20	Are lines 18 and 19 both zero or blank?		
	<input checked="" type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR). Do not complete lines 21 and 22 below.		
	<input type="checkbox"/> No. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Schedule D Tax Worksheet in the instructions. Do not complete lines 21 and 22 below.		
21	If line 16 is a loss, enter here and on Form 1040, line 13, or Form 1040NR, line 14, the smaller of:	21	
	<ul style="list-style-type: none"> • The loss on line 16 or • (\$3,000), or if married filing separately, (\$1,500) 		
<p>Note. When figuring which amount is smaller, treat both amounts as positive numbers.</p>			
22	Do you have qualified dividends on Form 1040, line 9b, or Form 1040NR, line 10b?		
	<input type="checkbox"/> Yes. Complete Form 1040 through line 43, or Form 1040NR through line 40. Then complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040 (or in the Instructions for Form 1040NR).		
	<input type="checkbox"/> No. Complete the rest of Form 1040 or Form 1040NR.		

Schedule D (Form 1040) 2007

SCHEDULE E

(Form 1040)

Supplemental Income and Loss
(From rental real estate, royalties, partnerships,
S corporations, estates, trusts, REMICs, etc)
Attach to Form 1040, 1040NR, or Form 1041.
See Instructions for Schedule E (Form 1040).Department of the Treasury
Internal Revenue Service

Name(s) shown on return

Neal A Hausam

OMB No. 1545-0047

2007

Attachment
Sequence No. 13

Your social security number

-8275

Part I Income or Loss From Rental Real Estate and Royalties

Schedule C or C-EZ (see instructions). If you are an individual, report farm rental income or loss from Form 4835 on page 2, line 40. Note. If you are in the business of renting personal property, use

1	List the type and location of each rental real estate property:	2	For each rental real estate property listed on line 1, did you or your family use it during the tax year for personal purposes for more than the greater of: • 14 days, or • 10% of the total days rented at fair rental value? (See instructions.)	Yes	No
A	Rental Amity Fare				X
B					
C					

Income:

		Properties			Totals
		A	B	C	(Add columns A, B, and C.)
3	Rents received	9,000.			9,000.
4	Royalties received				
5	Advertising				
6	Auto and travel (see instructions)				
7	Cleaning and maintenance				
8	Commissions				
9	Insurance				
10	Legal and other professional fees				
11	Management fees				
12	Mortgage interest paid to banks, etc (see instructions)				
13	Other interest				
14	Repairs				
15	Supplies				
16	Taxes				
17	Utilities				
18	Other (list)				
19	Add lines 5 through 18				
20	Depreciation expense or depletion (see instructions)				
21	Total expenses. Add lines 19 and 20	17,813.			17,813.
22	Income or (loss) from rental real estate or royalty properties. Subtract line 21 from line 3 (rents) or line 4 (royalties). If the result is a (loss), see instructions to find out if you must file Form 6198	-8,813.			-8,813.
23	Deductible rental real estate loss. Caution. Your rental real estate loss on line 22 may be limited. See instructions to find out if you must file Form 8582. Real estate professionals must complete line 43 on page 2	-8,813.			-8,813.
24	Income. Add positive amounts shown on line 22. Do not include any losses				
25	Losses. Add royalty losses from line 22 and rental real estate losses from line 23. Enter total losses here				-8,813.
26	Total rental real estate and royalty income or (loss). Combine lines 24 and 25. Enter the result here. If Parts II, III, IV, and line 40 on page 2 do not apply to you, also enter this amount on Form 1040, line 17, or Form 1040NR, line 12. Otherwise, include this amount in the total on line 4 on page 2				-8,813.

BAA For Paperwork Reduction Act Notice, see instructions. FD-22301 11/07/07

Schedule E (Form 1040) 2007

Hausam 157

Form 4797

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

- Attach to your tax return. - See separate instructions.

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on return

Neal A Hausam

OMB No. 1545-0047

2007

Attachment
Sequence No. 27

Identifying number

8275

1 Enter the gross proceeds from sales or exchanges reported to you for 2007 on Form(s) 1099-B or 1099-S
(or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)**

2	(a) Description of property	(b) Date acquired (month, day, year)	(c) Date sold (month, day, year)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 39.

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37.

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824.

6 Gain, if any, from line 32, from other than casualty or theft.

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows.

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions).

9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions).

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

11 Loss, if any, from line 7.

12 Gain, if any, from line 7 or amount from line 8, if applicable.

13 Gain, if any, from line 31.

14 Net gain or (loss) from Form 4684, lines 31 and 38a.

15 Ordinary gain from installment sales from Form 6252, line 25 or 36.

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824.

17 Combine lines 10 through 16.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from Form 4797, line 18a. See instructions.

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14.

BAA For Paperwork Reduction Act Notice, see separate instructions.

Form 4797 (2007)

Form 6252

Installment Sale Income

Department of the Treasury
Internal Revenue Service

Use a separate form for each sale or other disposition of property on the installment method.

Attach to your tax return.

OMB No. 1545-0045

2007

Attachment
Sequence No. 79

Name(s) shown on return

Neal A Hausam

Identifying number

-8275

- 1 Description of property Restaurant business
- 2a Date acquired (month, day, year) 01/01/2003 b Date sold (month, day, year) 12/29/2006
- 3 Was the property sold to a related party (see instructions) after May 14, 1980? If 'No,' skip line 4 ☐ Yes ☒ No
- 4 Was the property you sold to a related party a marketable security? If 'Yes,' complete Part III. If 'No,' complete Part III for the year of sale and the 2 years after the year of sale ☐ Yes ☐ No

Part II Gross Profit and Contract Price. Complete this part for the year of sale only.

- 5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated 5
- 6 Mortgages, debts, and other liabilities the buyer assumed or took the property subject to (see instructions) 6
- 7 Subtract line 6 from line 5 7
- 8 Cost or other basis of property sold 8
- 9 Depreciation allowed or allowable 9
- 10 Adjusted basis. Subtract line 9 from line 8 10
- 11 Commissions and other expenses of sale 11
- 12 Income recapture from Form 4797, Part III (see instructions) 12
- 13 Subtract line 12 from line 11. If zero or less, do not complete the rest of this form (see instructions) 13
- 14 If the property described on line 1 above was your main home, enter the amount of your excluded gain (see instructions). Otherwise, enter -0- 14
- 15 Gross profit. Subtract line 14 from line 13 15
- 16 Subtract line 14 from line 6. If zero or less, enter -0- 16
- 17 Contract price. Add line 7 and line 16 17
- 18 18

Part III Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

- 19 Gross profit percentage. Divide line 15 by line 17. For years after the year of sale, see instructions 19 0.9924
- 20 If this is the year of sale, enter the amount from line 17. Otherwise, enter -0- 20
- 21 Payments received during year (see instructions). Do not include interest, whether stated or unstated 21 6,579.
- 22 Add lines 20 and 21 22 6,579.
- 23 Payments received in prior years (see instructions). Do not include interest, whether stated or unstated. 23
- 24 Installment sale income. Multiply line 22 by line 19 24 6,529.
- 25 Enter the part of line 24 that is ordinary income under the recapture rules (see instructions) 25
- 26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797 (see instructions) 26 6,529.

Part IV Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party resell or dispose of the property ('second disposition') during this tax year? ☐ Yes ☐ No
- 29 If the answer to question 28 is 'Yes,' complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
- a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year)
- b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d ☐ The second disposition occurred after the death of the original seller or buyer.
- e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation (see instructions).
- 30 Selling price of property sold by related party (see instructions) 30
- 31 Enter contract price from line 18 for year of first sale 31
- 32 Enter the smaller of line 30 or line 31 32
- 33 Total payments received by the end of your 2007 tax year (see instructions) 33
- 34 Subtract line 33 from line 32. If zero or less, enter -0- 34
- 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale 35
- 36 Enter the part of line 35 that is ordinary income under the recapture rules (see instructions) 36
- 37 Subtract line 36 from line 34. Enter here and on Schedule D or Form 4797 (see instructions) 37

BAA For Paperwork Reduction Act Notice, see separate instructions.

FD-21501 05/11/07

Form 6252 (2007)

Hausam 159

Schedule C
Part IVMultiple Auto Statement
- Attach to return (after all IRS forms)2007
Statement

Name(s) of Proprietor

Neal A Hausam

Social Security No

-8275

Principal Business or Profession

Restaurant

	Vehicle 1		Vehicle 2		Vehicle 3		Vehicle 4		Vehicle 5	
Date placed in service	10/20/02		01/01/01							
Business miles	12,000		400							
Commuting miles										
Other personal miles	3,110		182							
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Is another vehicle available for personal use?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was the vehicle available for personal use during off-duty hours?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you have evidence to support your deduction?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If 'Yes,' is the evidence written?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Vehicle 6		Vehicle 7		Vehicle 8		Vehicle 9		Vehicle 10	
Date placed in service										
Business miles										
Commuting miles										
Other personal miles										
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
Is another vehicle available for personal use?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Was the vehicle available for personal use during off-duty hours?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you have evidence to support your deduction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
If 'Yes,' is the evidence written?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>